



New Jersey Department of Children and Families Policy Manual

Manual:	CON	Contracting	Effective Date:
Volume:	I	Contract Policy and Information Manual (CPIM)	
Chapter:	A	Contract Policy and Information	8-31-2007
Subchapter:	8	General Management Standards and Information	
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I. PURPOSE

The purpose of this policy is to establish minimum standards for use by Provider Agencies in the development and implementation of a Conflict of Interest policy and the Department of Children and Families' (DCF) compliance procedure.

II. SCOPE

This policy applies to all DCF Contracts.

III. DEFINITIONS

In addition to defined terms included in the Glossary of the Manual, the following terms, when capitalized, shall have meanings as stated:

Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict, between the private interests and the official responsibilities of a person in a position of trust. Persons in a position of trust include, but are not limited to Provider Agency paid and volunteer Staff Members, officers, or Governing Board members.

Governing Board (also Board) means the Provider Agency board, commission, council, or other organizational body that signs the Contract, enacts Provider Agency policy regarding Contract services, and is responsible to the Department for Contract compliance.

Staff Member means a person who receives all or part of his/her income from the Provider Agency's payroll, subcontractors, and/or volunteer(s) that serve the Provider Agency in any capacity.

IV. POLICY

Each Provider Agency must have written policies and procedures for identifying and eradicating any real or perceived Conflicts of Interest.

- A. The purpose of such policies and procedures is to prevent the personal interest of Staff Members, officers or Governing Board members from
 - 1. Interfering with the performance of their responsibilities to the Provider Agency and its clients; or
 - 2. Resulting in personal financial, professional, and/or political gain.
- B. The Provider's policy must include provisions for disclosure of situations when:
 - 1. A member of the Governing Board is related or otherwise involved with another member of the Governing Board;
 - 2. A member of the Governing Board is related to a Staff Member;
 - 3. A member of the Governing Board is also a Staff Member;
 - 4. A Staff Member in a supervisory capacity is related to or lives in the same household of another Staff Member he/she supervises;
 - 5. A member of the Governing Board or a Staff Member receives payment, goods, or services from the Provider Agency for any subcontracts, goods or services, such as consultant, laundry, maintenance, construction, or remodeling; and
 - 6. A member of the Provider Agency Governing Board or staff is a member of the Governing Body or Staff Member of a funder/contributor to the Provider Agency.
- C. The Provider's policy must specify the procedures to be followed in the event of a perceived or real Conflict of Interest. Possible procedures include:
 - 1. Action steps for determining if a Conflict exists;
 - 2. Mandated or voluntary non-participation of Staff Members, officers, or Governing Board members in a situation in which there is a Conflict of Interest;
 - 3. Sanctions for a breach of the approved Provider Agency Conflict of Interest policy; and

4. Appeal and administrative review of imposed sanctions.
- D. The policy must contain specific provisions to ensure that any Provider Agency Staff or Governing Board Member does not participate in the selection, award, or administration of any procurement transaction where federal or State funds are used, and none of the following has a financial interest in said transaction:
1. The Staff or Governing Board Member;
 2. Any member of his/her immediate family;
 3. Any member of his/her household;
 4. An organization in which any of the above is an officer, director or employee; and
 5. A person or organization with whom any of the above is negotiating or has any arrangement concerning prospective employment.

V. PROCEDURES

- A. The Provider Agency must develop a written Conflict of Interest policy in accordance with the minimum guidelines specified in this policy.
- B. The policy must be adopted by the Provider Agency's Governing Board, in accordance with procedures in the Board's by-laws.
- C. A copy of the adopted policy, with a date for compliance, must be furnished to Governing Board members, officers and Staff Members, and must be posted in a conspicuous place within the Provider Agency's administrative office and site of service provision.
- D. A copy of the policy must be forwarded to the Department for review and filing with the Provider Agency's Contract documents. Any revisions to the policy, as they are made and adopted, must be forwarded to the Department.

VI. DCF COMPLIANCE PROCEDURE

- A. In the event that the Department tests the Conflict of Interest policy as itemized in Section IV.B. and/or determines that a Conflict of Interest exists; the Department at its sole discretion will require abatement by the Provider.

B. When it has been determined that the Provider Agency has a Conflict of Interest, the Department may take one of the following actions in no order of ascending sanction.

1. Require a corrective action to abate the Conflict of Interest within a specified time frame.
2. Hold the Contract in default;
3. Withhold payments pending correction of the Conflict of Interest;
4. Discontinue any current or future Contract negotiations; and
5. Take other remedies that may be legally available.

VII. ATTESTATION REQUIREMENT

Each Staff Member (paid or volunteer, inclusive of subcontractors, the Governing Board, consultant, or any committee) must complete [Attachment 1](#), the Attestation Form of the Conflict of Interest Policy on an annual basis. Forms must be maintained on site by the Provider Agency and open for inspection as is stated in [CON-I-A-8-8.01.2007](#) Access to Records and Facilities; Retention of Contract Records; Confidentiality.